



LITTLE HOOVER COMMISSION

FOR IMMEDIATE RELEASE

June 14, 2005

For Additional Information Contact:

James P. Mayer
Executive Director
916-445-2125

Michael E. Alpert
Chairman

Stanley R. Zax
Vice Chairman

David J. Epstein

Liz Figueroa
Senator

Daniel W. Hancock

Welton C. Mansfield

Eugene "Mitch" Mitchell

Stuart G. Moldaw

Pedro Nava
Assemblymember

Charles S. Poochigian
Senator

Leslie "Tedd" Ray

Joseph Rodota

Audra Strickland
Assemblymember

James P. Mayer
Executive Director

Commission Urges Management Workforce Reforms

California will need to recruit and develop a corps of highly skilled public administrators if the State is going to resolve its long-standing performance problems, the Little Hoover Commission concluded in a report released Tuesday.

The report documents that the State uses few of the best practices that other government agencies rely upon to build a team of strong managers capable of leading public agencies. The Commission recommended a comprehensive effort to fortify the 31,000-strong management corps that is responsible for essential services.

"Few jobs are more important than those entrusted to state government," Chairman Michael E. Alpert wrote in a letter transmitting the report to the Governor and Legislature.

Under the leadership of this management corps, the State's rank-and-file workers tackle the most pressing challenges facing California – keeping communities safe, addressing poverty, treating addiction and protecting the environment. However, the Commission observed, the State does not strategically manage that workforce to achieve public goals with limited resources.

"For many years, however, the State has neglected its management workforce," Alpert said. "Calcified personnel practices that were intended to measure merit discourage highly qualified people from applying for and landing state jobs. Training and development are afterthoughts. And in the name of fairness, compensation rules do little to distinguish between good and bad performance."

The Commission found that management positions are virtually closed to experienced managers from outside of government. And many departments fail to recruit a pool of skilled candidates, making hiring decisions even when presented with only one qualified applicant. State data indicate that since 1999, the State has not hired a single manager from outside of state service into its core management ranks.

The Commission found this practice particularly troubling because the State also does not recruit talented university graduates, who with additional training and mentoring could become capable of taking over the reins of public programs.

The Commission also was critical of how the State manages and rewards its senior staff. In his letter, Chairman Alpert wrote that “weak performance is ignored, tolerated and hidden” by state procedures that fail to track outcomes. And management compensation is not competitive. The Commission found that employees in comparable county positions can earn far more for less complex responsibilities.

The Commission recommended that the Governor and Legislature make strategic changes in three areas – how the State recruits and hires managers, how departments manage and motivate workers, and how compensation could be used to attract and reward high performing managers.

The Commission recommended that the State initiate a campaign to reinvigorate public service to attract the most skilled administrators into state positions, and a rigorous development program to prepare them for the difficult job of managing public programs. The Commission recommended adopting performance management strategies that many government agencies – including isolated state departments – have used to bolster outcomes and efficiency.

“To improve performance the State must hire the best and brightest,” Alpert said. “To break the cycle of failure, the State must enlist talented individuals capable of restoring California’s greatness.”

California faces an exodus of some 70,000 employees as veteran civil servants reach retirement age. On average, 7,000 state employees retire each year. The Commission’s report includes 12 recommendations intended to guide the State’s efforts as it rebuilds that corps.

In its study, the Commission explored personnel procedures that relate to managers and supervisors – who are part of the State’s civil service system but excluded from collective bargaining – and did not explore personnel practices relating to rank-and-file employees.

The State employs over 212,000 people in the executive branch and has a management workforce of 31,000. The total state payroll for executive branch employees is estimated at \$13.7 billion out of a budget of over \$100 billion.

The Little Hoover Commission is a bipartisan and independent state agency charged with recommending ways to increase the performance of state programs. The Commission’s recommendations are sent to the Governor and the Legislature for their consideration.

The report, *Serving the Public: Managing the State Workforce to Improve Outcomes*, is available on the Commission’s Web site: www.lhc.ca.gov/lhc.html.